

LOUISIANA INSURANCE RATING COMMISSION  
POST OFFICE BOX 94157, CAPITOL STATION  
BATON ROUGE, LOUISIANA 70804-9157

MINUTES

MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE LOUISIANA INSURANCE RATING COMMISSION BEGINNING AT 10 AM ON [WEDNESDAY MARCH 15, 2006](#) IN THE HEARING ROOM, POYDRAS BUILDING, 1702 NORTH THIRD STREET, BATON ROUGE, LOUISIANA.

THE FOLLOWING MEMBERS WERE PRESENT FOR THE MEETING AT 10 AM ON [WEDNESDAY, MARCH 15, 2006](#):

Dr. Christine Berry, Barry Busada, Jabari Ragas, Steven Ruiz, Joe Godchaux, Jr.,

Deputy Commissioner, Chad Brown represented the Commissioner, Jim Donelon.

Also present were Clarissa Preston, Deputy Commissioner/Office of Property & Casualty; Linda Gonzales, and Staff Members of the Office of Insurance Rating; Richard Piazza, Actuary for the Louisiana Insurance Rating Commission; and other department staff members and representatives of certain groups.

Reading of the Minutes of the previous Meeting were dispensed with and accepted upon the motion of Dr. Berry, which received no objection.

AGENDA AND NOTICE

Part I -- Casualty

Reading of the Minutes of Previous Meeting

1 - [March 15, 2006](#) - 22688

34 - TITLE

DISCUSSION

DISCUSSION OF COMPANIES APPROVED TO ADOPT LOSS COSTS OF LOUISIANA TITLE STATISTICAL SERVICES ORGANIZATION

**FINAL ACTION:** Deferred.

**ADDITIONAL MINUTES:** Dr. Berry deferred. Warren Byrd spoke. He and Rich Piazza will meet with the title companies on Friday, 3/17/06. They will prepare a summary for the commission members.

**2 - March 15, 2006 - 22899**

COMMONWEALTH LAND TITLE INSURANCE COMPANY

LAWYERS TITLE INSURANCE CORPORATION

TRANSACTION TITLE INSURANCE COMPANY

34 - TITLE

INITIAL RATE AND RULE

MASTER EQUITY LINE LOAN POLICY RATES

RESIDENTIAL TRANSACTIONS

COMPANY REFERENCE: 2006-1191

REQUESTED EFFECTIVE DATES - NEW: 3/15/2006

RENEWAL: 3/15/2006

The above captioned companies wish to introduce the Master Equity Line Loan Policy.

The Master Equity Line Loan Policy is designed for home equity loans and lines that conform to LandAmerica's underwriting criteria for risk avoidance. Home equity lenders utilizing this policy will receive limited title coverage and a less expensive title premium.

This policy insures only limited matters: it insures the name of the grantee according to the last recorded deed, it insures against outstanding recorded monetary liens, it insures the status of ad valorem taxes, it ensures the priority of the lien, and it insures against an invalid, unenforceable, or improperly executed mortgage.

The request to file "Master Equity Line Loan Policy" is a direct result of customer demand for a more streamlined title insurance process and reduced title premium/coverage on qualifying home equity line/loan mortgage transactions. These customers conduct their business with the companies electronically in a manner that renders more efficient title insurance transactions and a shorter period of time between loan application and funding for the borrower. As a result of the streamlined processing, the proposed rate will mean a reduced title insurance premium to the consumer. In order to manage the risk of this streamlined process, the companies will only issue the policy on qualifying home equity loan transactions. The policy is in response to competitors who have developed and launched similar products in the marketplace.

**Master Equity Line Loan Policy Rate Schedule**

- \$50.00 on mortgages securing amounts from \$0.00 to \$250,000.
- \$120.00 on mortgages securing amounts from \$250,001 to \$500,000.

There is no rate impact associated with this filing.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Dr. Berry approved this filing contingent upon the approval of its companion forms.**

**FINAL EFFECTIVE DATES - NEW: 3/15/2006**

**RENEWAL: 3/15/2006**

**3 - March 15, 2006 - 22972**

PERMANENT GENERAL ASSURANCE CORPORATION  
19 - PRIVATE PASSENGER AUTOMOBILE  
WITHDRAWAL OF RATES OR RULES  
**WITHDRAWAL OF RATES AND RULES**  
**(ITEM #31 NOVEMBER 15, 2000 KEY # 1630)**  
COMPANY REFERENCE: 2000-W  
REQUESTED EFFECTIVE DATES - NEW: 3/15/2006

**FINAL ACTION: Approved.**  
**ADDITIONAL MINUTES: Mr. Ruiz approved.**  
**FINAL EFFECTIVE DATES - NEW: 3/15/2006**

**4 - March 15, 2006 - 22957**

PERMANENT GENERAL ASSURANCE CORPORATION  
19 - PRIVATE PASSENGER AUTOMOBILE  
INITIAL RATE AND RULE  
INTRODUCTION OF PRIVATE PASSENGER NON-STANDARD AUTO PROGRAM  
COMPANY REFERENCE: 20060330LA-R  
REQUESTED EFFECTIVE DATES - NEW: 3/30/2006

The referenced company is submitting its initial rates and rules to be used with the above captioned program.

This new program is proposed as a re-entering the Louisiana market after having stopped writing new and renewal policies in 2001. A withdrawal of the last rates and rules is included under separate cover in this agenda Item Key # 22972.

This company has used many of the same rating variables as filed in other states. The rates of several companies were compared including Progressive, AIG, American Century, Imperial Casualty, Safeway, Unitrin, Direct General, Safe Auto and US Agencies to establish their rates. The policies are written a six-month term and the rates are included in the filing.

Numerous factors are applied to the base rates to arrive at the final premium. These include driver class factors, term factors, point factors, model year factors, increased limits, territory factors, symbol factors, deductible factors and driver to vehicle factors. The primary discounts offered are multi-car, homeowners, pay plan, transfer and renewal discounts.

The associated forms were approved under form filing number 2005809.

**FINAL ACTION: Approved.**  
**ADDITIONAL MINUTES: Mr. Ruiz approved.**  
**FINAL EFFECTIVE DATES - NEW: 3/30/2006**

**5 - March 15, 2006 - 23002**

NATIONAL GENERAL INSURANCE COMPANY  
 19 - PRIVATE PASSENGER AUTOMOBILE  
 REVISED RATE AND RULE  
 MOTORCYCLE PROGRAM  
 (+29.6%)

\*\*\*\*\* **AMENDED TO +24.7%** \*\*\*\*\*

COMPANY REFERENCE: MTV050406

REQUESTED EFFECTIVE DATES - NEW: 5/4/2006

RENEWAL: 6/3/2006

The referenced company filed and received approval on the last adjustment to this program in August 1997.

With this filing, the referenced company is submitting a revision to their base rates, which results in an overall rate increase of **+24.7%** or **+\$32,047** (323 policyholders) as follows:

Coverage	Proposed Rate Change
BI	+24.6%
PD	+34.2%
Med Pay	+6.0%
UMBI	0.0%
UMPD	0.0%
Passenger Liability	+4.5%
Comp	+59.0%
Coll	+38.6%
Additional Accessories	+44.8%
<b>Total</b>	<b>+29.6%</b>

Listed below is the Louisiana and countrywide experience:

**LOUISIANA**

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2003	\$ 89,233	\$ 155,054	173.8%
2004	96,666	137,790	142.5%
2005	108,267	238,070	219.9%
All Years	\$ 294,166	\$ 530,914	180.5%

**COUNTRYWIDE**

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2003	\$ 7,064,888	\$ 4,378,659	62.0%
2004	7,395,474	4,706,594	63.6%
2005	7,992,453	6,261,894	78.3%
All Years	\$ 22,452,815	\$ 15,347,147	68.4%

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Mr. Ruiz approved as amended from +29.6% to +24.7%. Addam Sentz was the company's representative.**

**FINAL EFFECTIVE DATES - NEW: 5/4/2006**

**RENEWAL: 6/3/2006**

**6 - March 15, 2006 - 22960**

AIG NATIONAL INSURANCE COMPANY, INC.

19 - PRIVATE PASSENGER AUTOMOBILE

REVISED RATE AND RULE

LOUISIANA MOTORCYCLE PROGRAM

(+21.7%)

\*\*\*\*\*AMENDED TO 12.5%\*\*\*\*\*

COMPANY REFERENCE: MC-LA-0650

REQUESTED EFFECTIVE DATES - NEW: 4/3/2006

RENEWAL: 5/3/2006

Listed below are the actions taken in regard to this program:

Item - Provision	Rate Change	Eff. Dates	Final Action
#20704- Flex Band	+5.0%	4/21/05 N/R	Meets Req.
#106 11/03- Prior App	Initial	11/20/03	Approved

With this filing, the company proposes a rate increase of +12.5% or +\$62,552 (866 policyholders), broken down as follows:

Coverage	% of Rate Change Proposed
Bodily Injury	+6.4%
Property Damage	+6.9%
Guest Passenger Liability- GST	-56.5%
Medical Payments	-0.4%
UM/UIM	0.0%
UM/UIM Eco	0.0
UMPD	0.0%
Comprehensive	+45.3%
Collision	+83.7%
<b>Total</b>	<b>+21.7%</b>

The changes associated with this filing include:

1. Revised base rates
2. Revised symbol factors
3. Revised underwriting group assignments
4. Revised Stated amount value rates

5. Introduction of Emergency Roadside Assistance coverage- an optional coverage that may be purchased on any vehicle with comp coverage.
6. Introduction of Trip Interruption coverage- an optional coverage that may be purchased on any vehicle with comp coverage
7. Collision coverage will include \$2,000 of Safety Apparel coverage
8. Introduction of Diminishing Deductible feature for Comp and Coll coverages- also referenced as disappearing deductibles. The deductibles for comp and coll are reduced by 25% of the original deductible amounts for each subsequent policy period if there are no comp or coll losses. After the fourth consecutive claims free policy term is reached there will be no deductible. After a loss, the deductibles are reset to the insured's original selection at next renewal.
9. Introduction of Transport Trailer Physical Damage coverage- provides physical damage protection for a loss to an owned transport trailer subject to the limits of liability. a transport trailer is a non-motorized trailer designed to be towed on public roads by a land motor vehicle and is principally designed for transporting motorcycle or off-road vehicles.
10. Increased amount of Additional Equipment coverage included with Comp coverage from \$1,000 to \$3,000
11. Increased amount of available Increased Additional Equipment coverage to \$27,000
12. Increased maximum stated amount value for symbols LP10 and LP20 to \$50,000
13. Increase maximum stated amount value for symbols CL 10 \$ 25,000
14. New underwriting rule to prohibit physical damage coverages on vehicles with symbol KT10. This symbol is for Kit or Homemade motorcycles.
15. Introduction of a \$100 minimum written premium
16. Increased policy fee \$25
17. Increased reinstatement fee to \$25
18. Increased SR-22 fee to \$25
19. Introduction of new vehicle-rating symbols:  
 HD40- Harley-Davidson Motorcycle Group 4- V-Rod  
 LP20- Limited Production Cruiser- Group 2  
 LP30- Limited Production Cruiser- Group 3  
 SM20- Scooter/Moped- Group 2  
 CL10- Classic Motorcycle  
 GF10- Golf Cart  
 SG10- Segway Human Transport

The histogram information furnished by the company is contained in the Insurance Company Rate Revision Summary prepared by the Actuary.

The Louisiana and Countrywide experience is shown below:

#### LOUISIANA

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2004	\$	113,846	\$	175,540	154.2%
2005		398,633		857,124	215.0%
All Years	\$	512,479	\$	1,032,664	201.5%

#### COUNTRYWIDE

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2003	\$ 15,994	\$ 38,867	243.0%
2004	2,597,231	3,332,679	128.3%
2005	9,945,542	9,522,044	95.7%
All Years	\$ 12,558,767	\$ 12,893,589	102.7%

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Mr. Ruiz approved as amended from +21.7% to +12.5%. Eric Baham was the company's representative.**

**FINAL EFFECTIVE DATES - NEW: 4/3/2006 RENEWAL: 5/3/2006**

**7 - March 15, 2006 - 22982**

ARMED FORCES INSURANCE EXCHANGE

17 - OTHER LIABILITY

REVISED RATE AND RULE

PERSONAL LIABILITY AND THEFT PROGRAM

(+35.96%)

COMPANY REFERENCE: LA-PL-3I-06-1

REQUESTED EFFECTIVE DATES - NEW: 7/3/2006 RENEWAL: 7/3/2006

The last adjustment to this program occurred in December 1996 (item #2), which resulted in an overall increase of +93.6%, as amended from +101.71%, effective March 10, 1997.

With this filing, the company proposes the following:

**Adoption and Modification of ISO Filing Designation No.: DL-2001-R01RU**

(Approved in January 2005 (item #42) to be effective 7/1/05)

The company is filing to adopt, with modification, ISO Filing Designation No.: DL 2001-R01RU for its Personal Liability and Theft Program.

Filing DL 2001-R01RU, as amended, introduced an Additional Rule to accommodate the new Louisiana-specific limited fungi, wet or dry rot, or bacteria endorsements. This additional rule specifies that when endorsement DL 24 78 is attached to a policy, coverage is available up to \$50,000 on an aggregate basis, for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria.

In addition, an increased limits option in the amount of \$100,000 is also available for \$5.00.

However, in lieu of using ISO's Louisiana-specific endorsement DL 24 78 for both the basic and increased limits option, the company is introducing its independent Louisiana-specific endorsement DL AF 71 11 05 "Limited Fungi, Wet or Dry Rot, or Bacteria Increased Coverage - Louisiana" to accommodate the optional increased limit.

The company has therefore modified Item E. of the "Limited Fungi, Wet or Dry Rot, or Bacteria Coverage" ISO Additional Rule to reference its independent endorsement. The Limited Fungi, Wet or Dry Rot, or Bacteria Rate is

based on ISO's Filing Designation No.: DL 2001-RLCFG.

The company states "Since this is new coverage, there will be no dollar change".

#### **Revised Rates:**

The company has revised its liability rates based on ISO Loss Costs Filing Designation No.: DL 2005-RLA1, DL 2001-RLCFG and RL 93-RLA1.

These changes will result in an overall increase of +35.96% or +\$7,589 (86 policyholders).

#### **Deletion of Reference to Application of Snowmobile Rate:**

Included with the current applicable rate for Snowmobile under Item 6. on the manual rate pages, is the ISO statement:

*"This charge is the minimum annual rate for each snowmobile for any period within a policy year."*

Although this provision is designed to prevent the recurrent seasonal endorsement of a Liability policy to provide snowmobile coverage only for months when a snowmobile is used, the company has never pursued programming to set a minimum annual premium for optional coverages.

Therefore, to more accurately reflect the current programming limitations, and to correspond with changes recently filed in the Homeowner Program, the company is filing to amend the Liability rate pages to remove reference to the Snowmobile minimum annual rate.

The company states "There is no rate change associated with this revision".

#### **Revisions to Manual**

The company has revised the manual to incorporate all the changes noted above. It is also updating the page numbering and format of the manual exception pages.

The Louisiana and Countrywide experience is as follows:

#### **LOUISIANA** (Accident Year as of 2005)

<b>Year</b>	<b>Actual Earned Premium</b>		<b>Developed Loss</b>		<b>Loss Ratio</b>
2001	\$	42,656	\$	765	1.79%
2002		42,872		1,144	2.67%
2003		42,557		(4,363)	-10.25%
2004		43,355		2,378	5.48%
2005		43,968		1,861	4.23%
All Years	\$	215,408	\$	1,785	0.83%

#### **COUNTRYWIDE**



(Accident Year as of 2005)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	3,219,859	\$	2,016,883	62.64%
2002		3,218,867		1,908,577	59.29%
2003		3,163,320		1,722,667	54.46%
2004		3,135,669		816,478	26.04%
2005		2,974,215		399,840	13.44%
All Years	\$	15,711,930	\$	6,864,445	43.69%

**FINAL ACTION: Deferred.****ADDITIONAL MINUTES: Mr. Godchaux deferred this filing because it is still under actuarial review.****FINAL EFFECTIVE DATES - NEW: 7/3/2006 RENEWAL: 7/3/2006****8 - March 15, 2006 - 22985**

FIDELITY NATIONAL PROPERTY AND CASUALTY INSURANCE COMPANY

17 - OTHER LIABILITY

INITIAL RATE AND RULE

INTRODUCTION OF PERSONAL UMBRELLA LIABILITY PROGRAM

COMPANY REFERENCE: FNUMRR06

REQUESTED EFFECTIVE DATES - NEW: 4/15/2006 RENEWAL: 4/15/2006

The referenced company is submitting its initial rates and rules to be used with the above captioned program.

The Personal Umbrella Liability program provides coverage in excess of the retained limit (what underlining policies are required to carry) which the insured shall become legally obligated to pay as damages. The policy is designed to cover personal (non-business) liability of individuals, particularly businesspersons, executives and professionals.

Manual rates and minimum premiums are for a basic policy limit of **\$1,000,000**. Increased limits up to a total policy limit of **\$5,000,000** may be provided in accordance with the applicable rule. The types of coverage provided include Personal Liability- Comprehensive Personal Liability or Liability Section of a Homeowners policy, Automobile Liability, Non-Licensed Recreational Vehicles (Off-Premises liability), Watercraft liability and Business Pursuits- those added to CPL or Homeowners by ISO HO2471 or other standard filed endorsement (not meant to cover more than (4) rental properties).

Two discounts offered under this policy are:

- **Multi-Policy Discount-** base premium shall be reduced by 3% if the named insured is also the named insured on another policy written by the company.
- **Employee Discount-** base premium shall be reduced by 10% if the named insured is employed by the company.

A policy fee of **\$30** applies to all new and renewal umbrella policies.

The requested rates and rules require approval of companion forms.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Dr. Berry approved this filing contingent upon the approval of its companion forms.**

**FINAL EFFECTIVE DATES - NEW: 4/15/2006      RENEWAL: 4/15/2006**

**9 - March 15, 2006 - 23054**

HANOVER INSURANCE COMPANY, THE

17 - OTHER LIABILITY

INITIAL RATE AND RULE

INTRODUCTION OF PERSONAL UMBRELLA LIABILITY PROGRAM

COMPANY REFERENCE: UMB LA 06090-01R

REQUESTED EFFECTIVE DATES - NEW: 4/1/2006      RENEWAL: 4/1/2006

The referenced company is submitting its initial rates and rules to be used with the above captioned program.

The Personal Umbrella policy coverage is designed to provide individuals with limits in excess of the underlying primary insurance. It is a product that can respond to unanticipated casualty occurrences and accidents, catastrophic in nature. This program is for those insureds who meet the company's automobile and homeowner market definition profile of a preferred risk.

Coverages may be purchased for limits of \$1 million to \$5 million in increments of \$1 million. The single limits are applicable to each occurrence in excess of underlying limits or self-insured retention. The coverages under this plan include Automobile, Homeowners, Rental Property, Recreational Vehicles and Watercraft.

The rates were developed using those of Unitrin and Allstate in the product design and factor selection.

The requested rates and rules require approval of companion forms.

**FINAL ACTION: Deferred.**

**ADDITIONAL MINUTES: Mr. Godchaux deferred this filing for further review by staff.**

**FINAL EFFECTIVE DATES - NEW: 4/1/2006      RENEWAL: 4/1/2006**

## LOUISIANA INSURANCE RATING COMMISSION

Part II -- Property

Wednesday, March 15, 2006

1a - March 15, 2006 - 23084

NATIONAL LLOYD'S INSURANCE COMPANY

1 - PROPERTY

REVISED RATE ONLY

DWELLING FIRE AND ALLIED LINES

LOW VALUE DWELLING PROGRAM (DWG-1)

(+25%)

COMPANY REFERENCE: NLIC-LA-DP1-2006

REQUESTED EFFECTIVE DATES - NEW: 6/1/2006

RENEWAL: 6/1/2006

Listed below is the history of the actions taken by the LIRC in regard to this program:

#5a - 2/03	+14.1%	Approved	Eff. 3/1/03 N & R
#2a - 11/94	Initial	Approved	

With this filing, the company is requesting an overall rate increase of +25% or +\$458,600 (4,789 policyholders).

The Louisiana and Countrywide experience is as follows:

LOUISIANA

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	579,990	\$	399,792	68.9%
2002		600,619		797,218	132.7%
2003		853,936		356,921	41.8%
2004		1,348,364		697,972	51.8%
2005		1,831,550		8,954,683	488.9%
All Years	\$	5,214,459	\$	11,206,586	214.9%

COUNTRYWIDE

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	20,468,638	\$	6,680,147	32.6%
2002		24,108,623		9,474,744	39.3%
2003		37,597,978		14,612,477	38.9%

2004		41,822,473		14,194,596	33.9%
2005		45,998,744		52,442,321	114.0%
All Years	\$	169,996,456	\$	97,404,285	57.3%

**FINAL ACTION: Deferred.**

**ADDITIONAL MINUTES: Mr. Ruiz deferred and requests that a company representative be present at the next meeting.**

**FINAL EFFECTIVE DATES - NEW: 6/1/2006 RENEWAL: 6/1/2006**

**2a - March 15, 2006 - 23132**

LOUISIANA FARM BUREAU MUTUAL INSURANCE COMPANY  
LOUISIANA FARM BUREAU CASUALTY INSURANCE COMPANY  
SOUTHERN FARM BUREAU CASUALTY INSURANCE COMPANY  
4 - HOMEOWNERS

REVISED RATE AND RULE

**(+49.15%)**

COMPANY REFERENCE: HO-2006-01

REQUESTED EFFECTIVE DATES - NEW: 6/15/2006 RENEWAL: 6/15/2006

Listed below is the history of the actions taken in regard to this program:

Item Key #18633 - Flex Band	+8.94%	Meets Requirements	Eff. 12/1/04 N & R
#12a - 7/03	+5.61%	Approved	Eff. 10/15/03 N & R
#5a - 1/02	+7.72%	Approved	Eff. 4/7/02 N & R

With this filing, the companies are requesting an overall **+49.15%** or **+\$30,607,194** (70,063 policyholders).

Also included in the filing are the following proposed changes:

- Changing zone relativities.
- Expanding the number of zones in the southern part of the state.
- Changing the base All Other Perils deductible from \$250 to \$500.
- Introducing rates for two new endorsements: Windstorm or Hail Percentage Deductibles and Windstorm or Hail Exclusion. The windstorm or hail deductibles will be greater than or equal to the base All Other Perils deductible on the policy. Premium reductions for these new deductible options will vary by Rating Zone as well as by the All Other Perils Deductible. **Also being introduced is proposed premium credits for the new windstorm or hail percentage deductible applicable to damage caused by falling trees. This percentage deductible would apply in addition to the windstorm or hail percentage deductible discussed above, for a reduced premium.**

The Louisiana experience is listed below:

**LOUISIANA**  
(Accident Year as of 3/31/05)

Year	Actual Earned Premium	Developed Loss	Loss Ratio
2000	\$ 35,556,061	\$ 25,899,607	72.84%
2001	37,270,504	20,790,938	55.78%
2002	41,649,924	81,904,895	196.65%
2003	49,202,607	29,244,325	59.44%
2004	56,133,791	29,964,760	53.38%
All Years	\$ 219,812,887	\$ 187,804,525	85.44%

Exhibits H and I (histogram) are forthcoming.

Exhibit F and other required exhibits have been forwarded to our Actuary.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Dr. Berry approved. Mr. Ruiz objects. Brian Van Dreumel was the company's representative. Ruiz withdraws his objection.**

**FINAL EFFECTIVE DATES - NEW: 6/15/2006 RENEWAL: 6/15/2006**

**3a - March 15, 2006 - 23122**

LOUISIANA FARM BUREAU MUTUAL INSURANCE COMPANY  
LOUISIANA FARM BUREAU CASUALTY INSURANCE COMPANY  
SOUTHERN FARM BUREAU CASUALTY INSURANCE COMPANY  
1 - PROPERTY

REVISED RATE AND RULE  
DWELLING PACKAGE POLICY  
(+47.69%)

COMPANY REFERENCE: DP-2006-01

REQUESTED EFFECTIVE DATES - NEW: 6/15/2006 RENEWAL: 6/15/2006

Listed below is the history of the actions taken in regard to this program:

Item Key #18629 - Flex Band	+9.76%	Meets Requirements	Eff. 12/1/04 N & R
#11a - 7/03	+8.36%	Approved	Eff. 10/15/03 N & R
#4a - 1/02	-0.9%	App as amended from +1.83%	Eff. 4/7/02 N & R

With this filing, the companies are requesting an overall increase of +47.69% or +\$1,427,420 (6,151 policyholders).

Also included in the filing are the following proposed changes:

- Changing zone relativities.
- Expanding the number of zones in the southern part of the state.
- Changing the base All Other Perils deductible from \$250 to \$500.
- Introducing rates for two new endorsements: Windstorm or Hail Percentage Deductibles and Windstorm

or Hail Exclusion. The windstorm or hail deductibles will be greater than or equal to the base All Other Perils deductible on the policy. Premium reductions for these new deductible options will vary by Rating Zone as well as by the All Other Perils Deductible. **Also being introduced is proposed premium credits for the new windstorm or hail percentage deductible applicable to damage caused by falling trees. This percentage deductible would apply in addition to the windstorm or hail percentage deductible discussed above, for a reduced premium.**

The Louisiana experience is listed below:

**LOUISIANA**  
(Accident Year as of 3/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2000	\$	1,787,709	\$	1,336,322	74.75%
2001		1,847,473		1,034,298	55.98%
2002		1,974,436		5,315,668	269.22%
2003		2,225,254		1,651,602	74.22%
2004		2,670,740		1,443,273	54.04%
All Years	\$	10,505,612	\$	10,781,163	102.62%

Exhibits H and I (histogram) are forthcoming.

Exhibit F and other required exhibits have been forwarded to our Actuary.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Mr. Ragas approved. Brian Van Dreumel was the company's representative present at the meeting.**

**FINAL EFFECTIVE DATES - NEW: 6/15/2006      RENEWAL: 6/15/2006**

**4a - March 15, 2006 - 23099**

FIREMAN'S FUND INSURANCE COMPANY  
AMERICAN INSURANCE COMPANY, THE  
AMERICAN AUTOMOBILE INSURANCE COMPANY  
ASSOCIATED INDEMNITY CORPORATION  
NATIONAL SURETY CORPORATION  
FIREMAN'S FUND INSURANCE COMPANY OF LOUISIANA  
4 - HOMEOWNERS  
REVISED RATE AND RULE  
HOMEOWNERS PROGRAM  
(+19.0%)

COMPANY REFERENCE: FLAHO0106

REQUESTED EFFECTIVE DATES - NEW: 6/1/2006

RENEWAL: 7/31/2006

Listed below is the history of the actions taken in regard to this program:

Flex - Key #17240	+9.2%	Meets Requirements	Eff. 6/1/04 N & 7/31/04 R
#1a - 8/03	+14%	Approved	Eff. 8/20/03 N & R

With this filing, the companies are requesting an overall rate increase of **+19.0%** or **+\$2,767,450** (4,112 policyholders).

Included in this change is the following:

- Revise base rates in Prestige Home Premier Preferred Program in select territories.
- Revise program relativity for Prestige Home Standard Program.

The companies have also made the following adjustments to the application of the hurricane deductibles:

#### **Mandatory Deductibles**

- Territories 4 (Southern Mainland) and 34 (Coastal Area) have been added to the mandatory deductible section.
- The existing mandatory 1% hurricane deductible for building forms has been changed to 5% for all new business. Renewal business in these territories will have their existing 1% changed to a 5% deductible with the appropriate premium credit adjustment. However, renewal customers will have the option to buy-back to either a 2% deductible or to their previous 1% deductible.
- As exists today, all customers will be notified via a policyholder message that they have the option to remove any hurricane deductible, and have their premium adjusted accordingly.

#### **Optional Deductibles**

- 1% and 2% hurricane deductible options have been added for Building Forms in Territory 34.
- 2% and 5% hurricane deductible options have been added for Contents Forms in Territory 34.

The manual rate pages have been revised with a new edition date of 06-06 to reflect the new rates.

The Louisiana and Countrywide experience is as follows:

#### **LOUISIANA**

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
2001	\$	9,898,454	\$	6,323,297	63.9%
2002		10,773,706		10,533,345	97.8%
2003		11,191,218		10,479,816	93.6%
2004		12,307,939		3,839,943	31.2%
2005		14,158,753		118,261,639	835.3%
All Years	\$	58,330,070	\$	149,438,040	256.2%

#### **COUNTRYWIDE**

(Accident Year as of 12/31/05)

Year	Actual Earned Premium		Developed Loss		Loss Ratio
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2001	\$	391,185,388	\$	336,805,636	86.1%
2002		413,155,552		253,027,076	61.2%
2003		446,909,435		265,740,978	59.5%
2004		480,505,008		290,351,993	60.4%
2005		511,956,820		343,393,237	67.1%
All Years	\$	2,243,712,203	\$	1,489,318,920	66.4%

Exhibit F and other required exhibits have been forwarded to our Actuary.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Mr. Ruiz approved. Lauren Bailey was the company's representative present at the meeting.**

**FINAL EFFECTIVE DATES - NEW: 6/1/2006          RENEWAL: 7/31/2006**

**5a - March 15, 2006 - 23157**

REPUBLIC FIRE AND CASUALTY INSURANCE COMPANY

4 - HOMEOWNERS

REVISED RATE AND RULE

HOMEOWNERS PROGRAM

ADDITION OF NEW GUARDIAN TIER

COMPANY REFERENCE: 06-048

REQUESTED EFFECTIVE DATES - NEW: 3/16/2006

Listed below is the history of the actions taken in regard to this program:

Item Key #19997 - Flex Band	+2.7%	Meets Requirements	Eff. 3/1/05 N & 4/1/05 R
Item Key #19773 - Flex Band	+5.2%	Meets Requirements	Eff. 2/1/05 N & 3/1/05 R
#13a - 4/03	+19.1%	Approved	Eff. 6/1/03 N & 7/1/03 R

With this filing, the company wishes to introduce an additional tier into its Homeowners Program. The new tier will be named the Guardian tier.

The company states "In recent months many of our independent agents in Louisiana have expressed a desire for an additional tier in Republic's homeowners program. In their opinion this tier would allow them to insure dwellings that do not fit into their current markets. Republic's new Guardian homeowners tier will allow our Louisiana agents more flexibility by broadening our existing underwriting guidelines, and will provide another standard market for the citizens of Louisiana."

The rates for the Guardian tier will be initially set at 25% above the rates for the Standard Tier.

There is no rate impact to the current in-force business.

**FINAL ACTION: Approved.**



**ADDITIONAL MINUTES: Mr. Ruiz approved. Jim Drawert was the company's representative present at the meeting.**

**FINAL EFFECTIVE DATES - NEW: 3/16/2006**

**6a - March 15, 2006 - 22932**

AMERICAN ASSOCIATION OF INSURANCE SERVICES

4 - HOMEOWNERS

REVISED RATE AND RULE

HOMEOWNERS PROGRAM

HOMEOWNERS MANUAL REVISION (06 05)

(+5.2%)

COMPANY REFERENCE: AAIS-2005-89

REQUESTED EFFECTIVE DATES - NEW: 8/1/2006

RENEWAL: 8/1/2006

The last adjustment to this program occurred in March 2002 (item #2a), which resulted in an overall decrease of - 5.0%, to be effective August 15, 2002 for new and renewal business.

With this filing, American Association of Insurance Services (AAIS) is filing changes to the AAIS Homeowners Program.

Listed below is a summary of the proposed changes:

#### **Factor Rating**

AAIS will now display the rating information for basic coverages in a factor rating format rather than as pre-calculated amounts.

In the factor rating format, each state's manual pages will include pages that display the basic loss costs by territory as well as the protection/construction, form, and amount of insurance relativities.

Rule 4.1 - Calculation of Premium in the countrywide rules manual sets forth the procedure to be used to determine the basic policy premium using the factor rating components.

#### **Forms 1, 2, 3, 5 and 8**

The loss cost base amount has been increased by +5.2% and adjusted to reflect the new base deductible of \$500. There are no changes to the territory, protection/construction, amount of insurance, or form relativities.

On an overall basis, the proposed loss costs and relativities represent an increase of approximately +5.2% from the current loss costs.

#### **Forms 4 and 6**

The loss cost base amount has been increased by +3.7% and adjusted to reflect the new base deductible of \$500. There are no changes to the territory, protection/construction, amount of insurance, or form relativities.

On an overall basis, the proposed loss costs and relativities represent an increase of approximately +3.7% from the current loss costs.

### Other Changes

The rules and rating information currently contained in the Identity Fraud Expense Coverage Supplement (Revision 1.0) have been incorporated into the countrywide rules manual and state manual pages. The supplement has been replaced by this filing.

Also, throughout the manual, numerous editorial changes have been made to the rules and to the text of the rating information pages to refine and clarify them, and several rules have been renumbered in order to group information of a similar nature together. In addition, the rules and/or rating information for some optional coverages have been revised.

AAIS is also changing the way it identifies manual revisions. Presently, each manual is identified by a revision number, such as 8.0 or 8.1. With this filing, the countrywide rules manual and the state manual pages will be identified by a revision date of 06 05.

These changes will result in an overall increase of +5.2%.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Mr. Godchaux approved.**

**FINAL EFFECTIVE DATES - NEW: 8/1/2006      RENEWAL: 8/1/2006**

**7a - March 15, 2006 - 23076**

EMPLOYERS MUTUAL CASUALTY COMPANY

EMCASCO INSURANCE COMPANY

EMC PROPERTY & CASUALTY COMPANY

9 - INLAND MARINE

REVISED RULE ONLY

PERSONAL INLAND MARINE

WAIVER OF PREMIUM

COMPANY REFERENCE: LA-PIM-2006-01

REQUESTED EFFECTIVE DATES - NEW: 7/1/2006      RENEWAL: 7/1/2006

The above referenced companies wish to submit a revision to their Personal Inland Marine program.

They have revised Rule 9. to be titled Waiver of Premium, which states that any additional or return premium of \$5.00 or less may be waived, except that a return premium of \$5.00 or less shall be returned to the insured upon request. They have also revised manual pages PIM-INDEX-1 and PIM-2.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Mr. Godchaux approved.**

**FINAL EFFECTIVE DATES - NEW: 7/1/2006      RENEWAL: 7/1/2006**

**8a - March 15, 2006 - 22889**

ACE PROPERTY AND CASUALTY INSURANCE COMPANY

9 - INLAND MARINE

INITIAL RATE AND RULE

PERSONAL INLAND MARINE

INTRODUCTION OF THE BOAT AND YACHT MANUFACTURERS PROGRAM

COMPANY REFERENCE: 05-PIM-333R

REQUESTED EFFECTIVE DATES - NEW: 3/15/2006      RENEWAL: 3/15/2006

The above captioned company wishes to submit initial rates and rules for its Boat and Yacht Manufacturers Program.

This program is available to all purchaser/owners of current model year vessels sold by participating manufacturers. Under this program, a manufacturer will agree to remit the initial annual premium for the coverage of purchased vessel on behalf of the purchaser/owner. After the end of the first policy year, the purchaser/owner will be offered a renewal policy. Such renewal coverage will be offered in compliance with the companies' standard, state approved underwriting rules and rates.

The submitted program rates are only available for the initial policy term on current model year vessels. Reduced expense costs and lower than normal loss costs allow for deviation from the currently filed rates. The policyholder will be responsible for payment of premium for the second policy year and each successive renewal.

The policy includes a Liability limit of \$100,000 and a \$500 Hull deductible. Liability limits greater than \$100,000 will be offered at the insured's expense.

The requested rate/rule requires approval of companion forms.

**FINAL ACTION: Approved.**

**ADDITIONAL MINUTES: Dr. Berry approved this filing contingent upon the approval of its companion forms.**

**FINAL EFFECTIVE DATES - NEW: 3/15/2006      RENEWAL: 3/15/2006**

**Mr. Godchaux adjourned.**